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TAGS: [PGOV](#) [PINS](#) [EPET](#) [ECON](#) [NI](#)

SUBJECT: STRIKE IS OFF, DEREGULATION MAY STILL BE ON

REF: A. ABUJA 1735

[B.](#) ABUJA 1731

[C.](#) LAGOS 2078

[D.](#) LAGOS 2069

CLASSIFIED BY COUNSELOR JAMES MAXSTADT FOR REASONS 1.5 B AND
[1D.](#)

[¶1.](#) (U) After a "Stakeholders' Forum" October 8, mediating Governor Bola Tinubu announced a four-point agreement between them on behalf of the GON's oil company, oil marketers and the unions:

-- The GON-owned NigeriaN National Petroleum Corporation (NNPC) will maintain the present price on gasoline it sells to marketers;

-- The major oil marketers will revert to charging public the pre-October 1 fuel price of 34 Naira per liter temporarily (until at least the meeting below);

-- The Nigeria Labor Congress (NLC) will call off the strike; and

-- All stakeholders will meet as soon as possible to work out deregulation of the downstream sector.

[¶2.](#) (SBU) Five Governors, the Speaker of the House and the Senate President were the main mediators. Contacts at the NNPC and one Governor's office tell us the Stakeholders' Committee meeting in point four will begin on Thursday October 16.

[¶3.](#) (C) The reversion to 34 Naira at the pump fits with reports post has received from NNPC and other sources that the marketers will be able to maintain that price for anywhere from a week to a month from stocks on hand imported before deregulation. That price has not always applied outside Lagos, Abuja and Port Harcourt, although more than the main five Governors pledged separately to ensure that 34 Naira will be the price charged in their states.

[¶4.](#) (C) President Obasanjo gave a nationally televised speech just before the Stakeholders' Forum, calling for the NLC to reach agreement with the marketers and NNPC through the mediation. He has not yet publicly commented since. He has stated numerous times since October 1 that deregulation is on and that the GON is thus no longer responsible for the price that the marketers set. COMMENT: The current reversion to 34 Naira does not contradict this posture, although the GON's deregulation instructions to marketers had reportedly told them to keep the gasoline price at the pump below 40 Naira for October, the first month of deregulation.

ROBERTS